RICE: WORLD MARKETS AND TRADE

MONTHLY HIGHLIGHTS:

Medium Grain Suppliers Shift: Australia's falling exportable supplies for the third consecutive year have opened opportunities for other medium grain suppliers, particularly the United States and Egypt, in traditional Australian markets. For example, the United States has already gained market share in Papua New Guinea and other Pacific islands, is exporting record amounts to Jordan. Egyptian exports set a record in CY 2004 and are expected to surpass that feat this year.

PRICES:

International: Asian prices have eased over the last month. Thai 100B is currently quoted $7 lower than last month at $295 per ton, FOB, mainly due to the weakening of the Thai baht. There has still been no decision made as to when or how the Thai government intends to release intervention stocks. Viet 5% is currently quoted at $249 per ton, FOB, off $8 from last month. In India, 5% is currently quoted at $260 per ton, FOB, down $5.

Domestic: U.S. prices firmed month to month, with U.S. #2/4 long grain milled rice quoted at $321 per ton, FOB, up $3. The spread between comparable qualities of Thai and U.S. rice has increased $10 from last month and is now at $26 per ton. Prices for U.S. #1/4 medium grain milled rice from California are currently quoted at $320 per ton, FOB, up $20 from last month.

TRADE CHANGES IN 2006

Selected Importers

- **Brazil** is boosted 100,000 to 600,000 tons because of anticipated greater import demand in light of projected reduced supplies.

TRADE CHANGES IN 2005

Selected Exporters

- **Argentina** is reduced 50,000 to 350,000 tons on diminished import demand from Brazil.
- **Australia** is dropped 50,000 to 125,000 tons due to limited exportable supplies because of drought conditions.
- **Brazil** is doubled from 100,000 to 200,000 as a result of higher than anticipated broken rice exports to African markets.
- **China** is raised 100,000 to 600,000 tons supported by a higher export pace to date.

- **Egypt** is increased 100,000 to a record 850,000 tons with aggressive, early season sales.

- The **United States** is boosted 100,000 to 3.55 million as competitive prices are expected to drive exports to non-traditional markets.

Selected Importers

- **Bangladesh** is up 50,000 to 700,000 tons as a consequence of stronger than anticipated import demand during the first quarter.

- **Brazil** is down 75,000 to 425,000 tons in light of a larger than expected crop.

- **China** is reduced 200,000 to 700,000 tons consistent with weaker first quarter import demand.

- **Cuba** is raised 50,000 to 750,000 tons due to greater import demand from Vietnam.

- **Malaysia** is up 100,000 to 650,000 tons given the strong import pace to date.

- **Senegal** is boosted 100,000 to 850,000 tons based on more import demand for brokens from Asian and Latin American suppliers.